

Message Text

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PAGE 01 LA PAZ 00728 271508Z

ACTION ARA-10

INFO OCT-01 ISO-00 /011 W

-----280159Z 068435 /63

R 271355Z JAN 77

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 3915

UNCLAS LA PAZ 0728

E.O. 11652: N/A

TAGS: BDIS, BL

SUBJ: PROTEBOL

REF: STATE 13135

1. ROBERTO GONZALEZ ADVISES COMMATT ON JANUARY 24 THAT THEY ARE STILL INTERESTED IN PURCHASING PROTEBOL'S ASSETS. BUSONY AGREED SEVERAL MONTHS AGO TO HAVE RILEY PROVIDE GONZALEZ BROS. WITH TECHNICAL INFORMATION SO THAT MARKETING/FEASIBILITY STUDY COULD BE COMPLETED. BEFORE ASSETS WOULD BE PURCHASED, BUSONY AGREED THAT A STUDY HAD TO BE PERFORMED. THIS WAS A CONDITION PLACED BY GONZALEZ BROS. HOWEVER, ACCORDING TO ROBERTO GONZALEZ, RILEY HAS FAILED TO PROVIDE INFORMATION SOLICITED. THUS, STUDY IS INCOMPLETE AND CANNOT BE COMPLETED WITHOUT RILEY'S INFORMATION.

2. ON JANUARY 6, 1977 BUSONY WROTE ROBERTO GONZALEZ QUOTE: THE INVESTORS OF PROTEBOL WERE UNANIMOUS IN THEIR DECISION TO ACCEPT THE INITIAL CONDITIONS SET DOWN BY YOU WITH RESPECT TO THE SALE OF THE COMPANY. OUR LEGALIZED LETTERS OF INTENTION TO SELL HAD BEEN FORWARDED TO YOUR OFFICE AS OF LAST NOVEMBER. IN MY LAST COMMUNICATION WITH MR. RILEY, THEREFORE, I ADVISED HIM TO RETAIN A LOCAL ATTORNEY AND TO PROCEED WITH THE FORMALITIES OF THE INTENDED SALE: UNQUOTE. ACCORDING TO ROBERTO GONZALEZ, RILEY HAS NOT REPEAT NOT OBTAINED A LOCAL ATTORNEY AS INTRUCTED BY MR. BUSONY.
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PAGE 02 LA PAZ 00728 271508Z

3. RCIA LAWYER DE LA REGA ADVISED THAT PROTEBOL DEBTORS NOW SUBMITTING CLAIMS TO JUDGE IN COCHABAMBA. JUDGE IS EXPECTED WITHIN SEVERAL WEEKS TO SET CLAIM PRIORITY. ONCE PRIORITY IS SET, JUDGE WILL ESTABLISH AUCTION DATE. DUE TO FCIA COURT ACTIONBK BANCO DEL ESTADO SUBMITTED TO JUDGE THEIR CLAIM.

4. RE SENTENCE TWO, PARAGRAPH FIVE OF STATE 13135, PREVIOUS BANCO DEL ESTADO AUCTION WAS POSTPONED MANY MONTHS AGO AT OUR RAYUEST. HOWEVER, AS INDICATED ABOVE THE FCIA COURT ACTION HAS MOTIVATED BANCO DEL ESTADO TO PROTECT ITS INTERESTS AS ONE OF THE CLAIMANTS FOR THE AUCTIONED ASSETS.

5. COMMENT. IN OUR VIEW, THE EFFORT TO SAVE PROTEBOL FROM AUCTION IS ABOUT DEAD. WITH FCIA, BANCO DEL ESTADO (AND IT APPEARS FROM PARAGRAPH TWO OF REFTEL, POSSIBLY RILEY) ESTABLISHING CLAIMS AGAINST PROTEBOL ASSETS, HOLDING AN AUCTION APPEARS INEVITABLE. THE GONZALEZ BROTHERS ADVISE US THEY REMAIN WILLING TO NEGOTIATE PURCHASE OF PROTEBOL. BUT INSTEAD OF OBTAINING LEGAL COUNSEL IN BOLIVIA, OR DEALING WITH GONZALEZ BROTHERS DIRECTLY HIMSELF, BUSONY HAS CHOSEN TO REPLY ON RILEY TO HANDLE LEGAL AND TECHNICAL ASPECTS OF NEGOTIATIONS WITH GONZALEZ BROTHERS. IT HAS NEVER BEEN CLEAR TO US THAT RILEY'S INTERESTS COINCIDED WITH THE INTERESTS OF OTHER PROTEBOL STOCKHOLDERS AND PARAGRAPH TWO OF REFTEL IMPLIES THAT RILEY IS TRYING TO ESTABLISH A POSITION AS ONE OF CALIMANTS AGAINST PROTEBOL ASSETS. IN OUR VIEW, IF BUSONY RELIES ON RILEY,, IT IS NOT CLEAR TO US HOW A SOLUTION COULD EMERGE.

6. REGARDING REQUEST IN PARAGRAPH FIVE OF REFTEL, WE FAIL TO SEE HOW PROVISIONS OF BOLIVIAN LABOR CODE PERTAIN TO THE BASIC SITUATION, NOR DO WE FEEL COMPETENT TO PROVIDE LEGAL ADVICE ON SUCH A QUESTION. IF THIS STEMS FROM A REQUEST BY DR. BUSONY, WE REITERATE OUR LONG STANDING UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LA PAZ 00728 271508Z

SUGGESTION THAT BUSONY RETAIN LEGAL COUNSEL TO ADVISE HIM ON THIS AND OTHER LEGAL QUESTIONS.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
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Disposition Approved on Date:
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Disposition History: n/a
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Format: TEL
From: LA PAZ
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770113/aaaaalhg.tel
Line Count: 100
Litigation Code IDs:
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Litigation History:
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Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 STATE 13135
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3487514
Secure: OPEN
Status: NATIVE
Subject: PROTEBOL
TAGS: BDIS, BL
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/8ac738d0-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009